

# IMPORTANT INFORMATION

## Should I refinance my Federal student loans into a DEAL One Loan?

If you are a North Dakota resident with student loans in repayment and you meet the necessary credit standards, you may qualify to refinance your existing Federal student loans. However, it is important for you to understand this option is **not** a good idea for everyone.

**By refinancing your Federal student loans into a DEAL One Loan, you are converting them from a Federal student loan to a private loan and you need to consider the risks!**

**Below, you will find a list of risks for you to consider. You must initial next to each item.**

- \_\_\_\_\_ Federal student loans offer a number of options, including Income-Based Repayment (IBR), if you are unable to afford your monthly payment. IBR allows your monthly payment amount to be adjusted each year based upon your household income and family size. The outstanding balance, if any, may be forgiven after 25 years and 300 qualifying payments. This option will no longer be available to you.
- \_\_\_\_\_ Borrowers working in certain professions like those employed in public service, those employed as teachers, nurses, or attorneys may be eligible for loan forgiveness on some Federal loans. If you refinance a Federal loan into a private student loan, such as a DEAL One Loan, you will no longer be eligible to participate in these Federal loan forgiveness programs.
- \_\_\_\_\_ Certain Federal loans qualify for an interest subsidy. This means you do not pay any interest on the loan while you are in school or on a deferment. You will lose this benefit.
- \_\_\_\_\_ Borrower benefits or low interest rates linked to existing loans may be forfeited and could result in you paying more over the life of your student loan(s).
- \_\_\_\_\_ Active-duty service members might lose benefits, including loan forgiveness, if they refinance their Federal loans.
- \_\_\_\_\_ Once a Federal student loan is consolidated into a private loan, the process may not be reversed in order to re-establish the original Federal loan.
- \_\_\_\_\_ Benefits could be introduced by Congress or the Department of Education in the future. These benefits may not be available to you if you refinance your Federal loans into a private loan.
- \_\_\_\_\_ The risks and benefits listed above are those with a high impact and those most frequently used. It is not meant to be a complete listing. There may be additional risks or benefits specific to you or your career which you should fully investigate.

**I have carefully considered the risks and benefits associated with converting my Federal student loans into a DEAL One Loan. I fully understand I may be giving up certain benefits now and in the future. It is with that knowledge and understanding I am asking Bank of North Dakota to accept and process my DEAL One Loan request to pay off my existing Federal loans and create a new DEAL One Loan. This form must be signed, dated and returned to BND if you want to include any Federal loans in your DEAL One Loan.**

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|------------------------------|-------------------|
| Borrower Name (please print) |                   |
| Borrower Signature           | Date (mm/dd/yyyy) |